

November 11, 2011

Senator Jason Priest, Chair
Sue O'Connell, Lead Staff
Children, Families, Health, and Human Services Interim Committee
PO Box 201706
Helena, MT 59620

Dear Senator Priest and Ms. O'Connell:

On behalf of Billings Clinic, thank you for the opportunity to submit suggestions on how to make the state Medicaid program more efficient while maintaining quality of patient care.

The first suggestion is consistent with previous comments Billings Clinic has made to other legislative committees about the use of existing utilization data to focus programmatic intervention on those sub-populations that drive Medicaid costs. The department is already doing this in a focused fashion with the Health Improvement Program (HIP) that is being operated through contract with Montana's community health centers. Though HIP is relatively new, it is demonstrating early financial savings success through targeted case management.

At the recent Montana HealthCare Forum, attendees heard about a program operating in Wyoming through a partnership with Human Capital Management Services Group that targets the small percentage of clients utilizing state funded health care services that consume the largest percentage of dollars. This program, Wyoming Health Information Network (WHIN), combines utilization data across multiple state supported services—Medicaid, workers' compensation, unemployment, vocational rehab, and Supplemental Nutrition Assistance Program (SNAP). Utilizing case management, subsidized individual health insurance premiums, family support, and job assistance services, Wyoming has saved \$3,805,872 or an average savings per client in reduced state service utilization of \$3,948.

Executive and legislative bipartisan support contributed to the success metrics. No federal waivers or Wyoming state regulatory changes were necessary to implement the WHIN. A copy of the presentation shared at the November 1st Montana HealthCare Forum can be found at <http://www.montanahealthcareforum.com/wp-content/uploads/2011/11/PPT-Speaker-Hank-Gardner-Shawn-Petrini-Wyoming-Medicaid-2011-11-01-FINAL.pdf>.

The second recommendation involves investment and adoption by the Department of Health and Human Services leaders and staff of a common process improvement methodology. Billings Clinic has utilized the Lean Six Sigma problem solving methodology to help improve quality, safety, services and value through reducing waste and unnecessary variation in our clinical and business processes. We've experienced a cumulative savings over the past three fiscal years of \$11.9 million. The Montana Department of Commerce currently is a resource for training Montana small businesses in the Lean Six Sigma methodology. More information is found at <http://www.sbdc.mt.gov/default.mcp.x>.

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Billings Clinic offers these suggestions.

- Medicaid should develop more efficient process rules for patients with retroactive Medicaid coverage. We would recommend a re-vamping of the authorization process for sterilization, inpatient psychiatric services, and ambulance services. Two specific examples that illustrate opportunities for improvement:
 - A patient receives retroactive Medicaid after a hysterectomy is performed. Prior to services, we do not know the patient is going to qualify for Medicaid. If the patient does qualify for Medicaid, we are forced to write off the balance because the appropriate Medicaid forms were not signed by the patient. It is very inefficient to explain the Medicaid forms to every self-pay patient and then solicit signatures on the Medicaid forms when the patient does not have Medicaid. A more efficient process would be to waive this requirement for retro-authorizations.
 - A patient with no apparent coverage is admitted to the inpatient psychiatric unit in January. We start the paperwork that is needed to get the patient covered under Medicaid immediately. In March, we receive retroactive Medicaid. Per Medicaid policy, we have 30 days to get retroactive "pre-authorization" from Mountain-Pacific Quality Health. Unfortunately, we have issues obtaining the Form 455 from the case workers in a timely manner. A more efficient process would be to allow us to log into a website and print the Form 455 and then allow more than 30 days to obtain authorization for services prior to the notice of coverage.
- The Passport program should also be reviewed for a more efficient process. The current process is extraordinary manual for \$3.00 per member per month.
- Provider enrollment in Medicaid could be streamlined. When licenses for providers or facilities are renewed, the information should be shared with Medicaid, and they could update their systems accordingly. Right now, we must submit copies of the new documents to Medicaid with the provider's NPI written on it. It must be mailed or faxed.

I'm hopeful these suggestions are helpful to the Children, Families, Health, and Human Services Interim Committee.

Sincerely,



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